



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 1, 2007

REPORT NO. 07-049

ATTENTION: Council President and City Council
Docket of March 6, 2007

SUBJECT: Application to the Workforce Housing Reward Program (WFH) for grant funds.

REQUESTED ACTION:

Adopt a Resolution, authorizing the Mayor, the Director of the City Planning and Community Investment Department and/or the Assistant Director of City Planning and Community Investment Department, to:

1. Execute, apply for and submit the 2006 Calendar Year Workforce Housing Reward Program Application Package, and
2. Upon approval of the application by the State of California, Department of Housing and Community Development, to enter into, execute and deliver a State of California Standard Agreement, any other WFH grant documents and approve funding allocations.

STAFF RECOMMENDATION: Adopt the requested Resolution.

SUMMARY:

The State of California Housing and Community Development Department's Workforce Housing Reward (WFH) Program was designed to encourage cities and counties to develop new residential housing while rewarding those jurisdictions that approve housing affordable to lower-income households and are in compliance with State housing element law. The WFH Program provides grant funds for capital asset projects that benefit the community and enhance the community's quality of life. WFH Program funds can be used for a variety of projects including those related to safety, education and recreation.

The WFH Program currently has \$23 million dollars in funding available for program year 2006. This is comprised of \$20 million for the WFH Program Base Award and Regional Housing Needs Allocation (RHNA) bonus award, and \$3 million for the Job Housing Balance (JHB) incentive bonus. The WFH Program does not use a competitive process to award funds. All cities and counties who apply and meet the eligibility requirements will be funded. If the eligibility for the

funds exceeds the amount of funding availability, the Department may reduce all grants proportionately. The application deadline for this round of the WFH funds is Wednesday, March 21, 2007.

The WFH Program funds are awarded on a per bedroom basis for newly constructed rental and ownership housing units affordable to very low- and low-income households. For the purposes of the WFH Program studio apartments, single-room occupancies and other similar configurations are considered as one bedroom. The WFH Program Base Award is based on the number of bedrooms in new eligible housing units affordable to very low- or low-income households: \$1,500 per bedroom for units affordable to very low-income households and \$1,000 per bedroom for units affordable to low-income households.

Awarded grant funds may be used for the following types of projects:

- Physical property with an expected useful life of 15 years or more.
- Major maintenance, reconstruction, or demolition for purposes of reconstruction of facilities, and retrofitting work that is ordinarily done no more often than once every 5 to 15 years, or expenditures that continue or enhance the useful life of the capital asset.
- Equipment with an expected useful life of two years or more.
- Costs incidentally but directly related to the construction or acquisition of a capital asset are also allowable.

Capital asset projects proposed to receive a portion of any awarded grant funds include: Cortez Hill Community Center, 29th Street Theatre Plaza, University Avenue Mobility Project and Veterans Village-Phase III.

FINANCIAL CONSIDERATIONS:

Grant funds awarded by the WFH program must be spent within three (3) years from the date of the WFH Program award announcement and be used for the construction, rehabilitation or acquisition of capital assets benefiting the community, as indicated above.

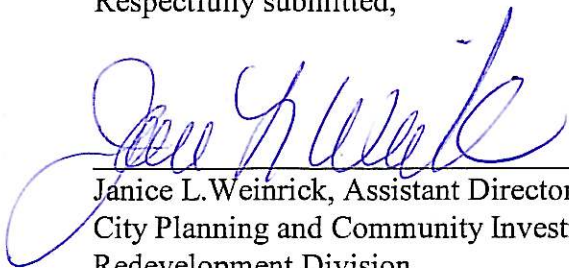
PREVIOUS AGENCY, AND/OR COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

All projects funded with WFH Program funds must result in the construction or acquisition of a capital asset and provide a benefit to the community.

Respectfully submitted,



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William Anderson, Director
City Planning and Community Investment

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